

ARMS-SALE FIGHT TAKES NEW TACK

Administration Is Arguing
Curbs Could Hurt Israel

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WASHINGTON, July 29—The Johnson Administration is attempting to fight off restrictions on the Defense Department's arms sales program by telling Congressmen that such restrictions would seriously inhibit sales of American weapons to Israel.

Representatives of some Zionist organizations have also been expressing concern that restrictions might make sales to Israel difficult.

In a statement today, Representative William B. Widnall, of New Jersey, minority leader of the House Banking and Currency Committee, said he was "very disturbed with recent attempts by both Administration and non-Administration sources to delay Congressional action on arms sales to underdeveloped countries by suggesting that large-scale arms shipments to Israel may have to be financed by the Export-Import bank through Country-X loans."

When Mr. Widnall was telephoned last week by I. L. Kenen, secretary of the American-Israel Public Affairs Committee, Mr. Kenen expressed some concern that possible amendments by the committee to limit arms loans to underdeveloped countries by the bank might inhibit arms purchases by Israel. Mr. Kenen is registered as a Congressional lobbyist for the committee.

Mr. Widnall and some other Congressmen contend that the Administration argument was not valid and that proposed restrictions on the arms sales to underdeveloped countries would not hamper weapons purchases by Israel if the Administration really wanted to permit them.

According to Capitol Hill informants, the Administration first used the argument about Israel last week in an effort to defeat adoption by the Senate Foreign Relations Committee of a restrictive amendment by Senator Frank Church, Democrat of Idaho, to the Foreign Assistance Act.

Attacked in 2 Ways

The amendment, approved by the committee on Thursday by a vote of 12 to 6, would have the effect of restricting sales to underdeveloped countries by gradually eliminating the Defense Department's \$383-million revolving arms sales credit fund and by abolishing the Pentagon's ability to guarantee arms loans by covering only 25 per cent of their full value with money from the fund.

With the fund and the 25 per cent guarantee, over the last two fiscal years the Pentagon has obtained \$604-million in anonymous loans for the sale of American arms to 14 underdeveloped countries, including Israel, from the Export-Import Bank. The Pentagon plans to obtain \$256-million more in such loans, "country-X" loans, from the bank during the current fiscal year.

Since the Church amendment was adopted, the Administration, it reported has, broadened its efforts to rally support to defeat the amendment when the bill reaches the Senate floor, or failing that, to persuade members of the House Foreign Affairs Committee to insist on deletion of the amendment in conference committee.

Senator Robert F. Kennedy's office was approached yesterday by representatives of Zionist organizations who expressed concern that restrictions on the arms sales credit devices might hamper arms purchases by Israel.

Senator Stuart Symington, Democrat of Missouri, who was a strong supporter of the Church amendment, said he had had inquiries from "friends" who expressed some "apprehension" about Israel's ability to buy arms.

Senator Symington, a member of the Foreign Relations Committee, said he had assured them that as far as he was concerned there was no cause for apprehension since adequate alternative means were available to finance arms sales to Israel.

Informant said that the same argument that restrictions would hamper arms sales to Israel had been employed by Administration officials with other members of the House Banking and Currency Committee besides Mr. Widnall.